

SUMMARY
DEPARTMENT OF STATE, FOREIGN OPERATIONS, AND RELATED PROGRAMS
FISCAL YEAR 2019 APPROPRIATIONS BILL

The fiscal year 2019 Department of State, Foreign Operations, and Related Programs bill provides \$54.22 billion in discretionary budget authority to project U.S. leadership and protect a wide array of U.S. security, humanitarian, and economic interests around the world. Of this amount, \$8 billion is for Overseas Contingency Operations (OCO) to support operations and programs in Afghanistan, Pakistan, Iraq, and other countries in conflict, as well as countries in political transition (including in Europe and Eurasia, the Middle East, and Africa) and to respond to humanitarian crises (e.g. Syria, South Sudan and Yemen). The bill totals \$200 million above the fiscal year 2018 level.

The bill reflects a bipartisan recognition that diplomacy and development are indispensable components of U.S. foreign policy and necessary to effectively project U.S. leadership, promote U.S. ideals, and safeguard U.S. national interests. In doing so, the bill rejects the arbitrary and dangerous cuts proposed by the Trump Administration, thereby providing continuity and predictability for Federal agencies, including to support U.S. foreign and civil service personnel and the programs they implement. Millions of Americans travel, work, study, and serve abroad every year, and they rely on the many services provided by U.S. diplomats posted overseas.

Key Points & Highlights – In order to protect and promote U.S. national interests, the bill provides funding for operations and programs at or close to the fiscal year 2018 enacted levels.

The State Department operates U.S. embassies and consulates and conducts diplomacy around the world. The U.S. Agency for International Development (USAID) operates missions in over 100 countries to combat infectious diseases and promote global health security, provide life-saving humanitarian assistance, strengthen democratic institutions, and expand economic opportunities for local populations to alleviate poverty and build stronger U.S. partners. The activities undertaken by the State Department and USAID and the myriad other agencies funded in the bill directly contribute to U.S. national security.

- The bill requires the State Department and USAID to continue restoring positions eliminated in the first year of the Trump Administration and provides the funding necessary to do so. Now more than ever we need to ensure that our foreign and civil service personnel have adequate resources to carry out their responsibilities.
- The bill conditions any steps to redesign or reorganize Federal agencies on detailed implementation plans and consultation with Congress to ensure that such efforts enhance effectiveness and efficiencies.

The bill rejects the Trump Administration's repudiation of multilateralism by providing the funds necessary to pay the full U.S. share of assessments to the United Nations (UN) and other international organizations (except for the UN Human Rights Council, from which the Trump Administration withdrew), and includes \$339 million for voluntary contributions to various UN agencies and international organizations which the White House had proposed to drastically cut.

However, for the third fiscal year in a row the bill does not fix the statutory cap on U.S. contributions for UN peacekeeping, which the Trump Administration has pledged not to exceed even if provided with the necessary resources and authority, resulting in arrears estimated at more than \$750 million through fiscal year 2019. Such arrears damage U.S. credibility and negatively impact UN peacekeeping missions.

Reforms and Reducing Government Waste

The bill continues certain conditions and reforms included in prior years, and includes new reforms, to improve the effectiveness and sustainability of U.S. foreign assistance, and requirements to reduce waste and corruption and improve oversight, including:

- Continues a requirement of public posting of certain reports to increase transparency.
- Continues a provision requiring improvements to State Department financial management systems to improve tracking of U.S. foreign assistance, and provides additional funds to modernize the State Department's antiquated information technology systems.
- Funding above the fiscal year 2018 levels for the Department of State and U.S. Agency for International Development (USAID) Inspectors General (IG), and directs implementation of certain IG and Government Accountability Office (GAO) recommendations.
- Continues limitations on the use of funds for conferences.
- Withholds funding for representational expenses until the Secretary of State testifies before the Committees on Appropriations on the fiscal year 2020 budget request.
- Continues conditions on 15 percent of U.S. funding for certain international organizations based on transparency and effective whistleblower policies, as well as each organization's efforts to effectively implement policies limiting first class and business travel.
- Requires a report on implementation of cost-matching with non-U.S. Government funds for certain programs.
- Requires U.S. executive directors of the international financial institutions to require progress by borrowing countries against fraud and corruption, and a provision requiring the identification of networks of corruption involving senior officials in countries that receive appropriated funds.
- Continues an existing provision prohibiting the taxation of U.S. foreign assistance.
- Includes \$50 million for the USAID "Local Works" program that provides small grants to small entities that have not traditionally received USAID funding, for the purpose of strengthening locally-led development.

- Continues a provision to enhance the effectiveness of humanitarian aid through the collection of feedback data from beneficiaries.
- Continues provisions designed to improve the quality, transparency, and oversight of lending by the World Bank and other international financial institutions.
- Includes provisions that ensure congressional oversight of decisions to reorganize, reduce, or terminate offices within foreign assistance agencies or overseas missions.
- Continues a provision requiring notification when U.S. assistance is diverted or destroyed.

Strengthening Congressional Oversight

The bill contains many of the same conditions on assistance for countries, contributions to international organizations, and other operations and programs as the fiscal year 2018 enacted bill. However, the bill includes expanded requirements for agencies (especially State and USAID) seeking to reduce the size of, consolidate, eliminate, or expand bureaus and offices, to ensure meaningful congressional oversight of such reforms and funding.

The bill also contains a new prohibition on assistance for Saudi Arabia under the International Military Education and Training account, the only account from which appropriated funds were previously made available for Saudi Arabia in the bill. The prohibition ends taxpayer-subsidized military education and training for Saudi Arabia, and was included in response to the murder of journalist Jamal Khashoggi and the ongoing Saudi-led bombardment of Yemen.

Strengthening Embassy Security

The safety of our diplomats, consular officers, and aid workers is paramount. This bill provides a total of \$6.1 billion for embassy security, which is equal to the fiscal year 2018 level.

Bolstering Global Health

HIV/AIDS, Ebola, Zika, tuberculosis, malaria, and other infectious diseases are a constant reminder of the threats to the millions of Americans who travel, live, study, and serve overseas, as well as here at home. Hundreds of millions of people in the poorest countries, especially children, die or suffer from debilitating diseases that can be prevented or treated. The bill maintains or increases funding for these life-saving global health programs.

- **HIV/AIDS.** A total of \$6.05 billion to combat HIV/AIDS, including \$4.37 billion for Department of State programs in support of the President’s Emergency Plan for AIDS Relief (PEPFAR) which is \$50 million above the fiscal year 2018 level; \$1.35 billion for a U.S. contribution to the Global Fund; and \$330 million for USAID’s HIV/AIDS programs.
- **Polio.** \$59 million, which is equal to the fiscal year 2018 level, for polio prevention programs to build local capacity to identify and monitor outbreaks and plan for and implement immunization programs.

- Family Planning/Reproductive Health. \$575 million, which is equal to the fiscal year 2018 level, for bilateral family planning assistance that improves and expands access to high-quality voluntary family planning services and other related health care. (See “Key Deficiencies” below for information on UNFPA and the Mexico City Policy).
- Maternal and Child Health. \$835 million, which is \$5.5 million above the fiscal year 2018 level, including \$290 million for the Gavi Alliance. These funds save thousands of lives in countries where easily preventable diseases, like measles, continue to claim the lives of hundreds of thousands of children each year.
- Nutrition. \$145 million, which is \$20 million above the fiscal year 2018 level. Malnutrition contributes to almost half of all the deaths of children under five by undermining their health and development.
- Malaria. \$755 million to combat malaria, which is equal to the fiscal year 2018 level.
- Tuberculosis. \$302 million to combat tuberculosis (TB), which is \$41 million above the fiscal year 2018 level. Multi-drug resistance presents increasing threats in countries where TB is prevalent.
- Global Health Security. \$100 million to accelerate capabilities of target countries to prevent, detect, and respond to infectious diseases.
- Neglected Tropical Diseases (NTDs). \$102.5 million for NTDs, which is \$2.5 million above the fiscal year 2018 level. More than one billion people worldwide suffer from one or more tropical diseases, which disproportionately afflict poor and rural populations.

Combating Poverty and Promoting Democracy

The agreement provides a total of \$7.7 billion for economic growth and development programs, including for agriculture and food security, basic and higher education, democracy and governance, biodiversity protection, water and sanitation, microenterprise, and women’s leadership programs.

- Education Programs. \$800 million, which is equal to the fiscal year 2018 level, for basic education programs to improve the quality of and access to equitable education; \$235 million, also equal to the fiscal year 2018 level, for higher education programs including \$15 million for new partnerships between U.S. and foreign institutions.
- Water and Sanitation Programs. \$435 million, including \$195 million for programs in Africa, which is \$35 million above the fiscal year 2018 level, to increase access to safe drinking water and sanitation, improve water resource management, and mitigate conflicts that arise from water scarcity.

- Microenterprise Programs. \$265 million, which is equal to the fiscal year 2018 level, to combat poverty by helping microenterprises (including smallholder farmers) access market opportunities and increase incomes.
- Democracy Programs. \$2.4 billion to support good governance; freedom of expression, association, assembly, and religion; human rights; media; and the rule of law, which is \$91 million above the fiscal year 2018 level. These programs help strengthen governance by enabling greater citizen access to information and political participation, and provide alternatives to radicalization.
- Biodiversity Programs. \$285 million, which is \$16 million above the fiscal year 2018 level, for USAID biodiversity conservation programs that protect forests, marine ecosystems, and wildlife, and to help reduce pollution and other negative economic and environmental impacts, and increase clean energy access and efficiency.
- Global Women's Issues. \$215 million, which is equal to the fiscal year 2018 level, to continue programs to support women and girls, including \$50 million to increase leadership opportunities for women and girls, \$150 million to prevent and respond to gender-based violence, \$15 million for programs to assist women and girls who are victims of extremism, and additional funds for programs to combat violence against Afghan women and girls and to increase the participation of women in law enforcement and the judiciary in South and Central Asia.

Supporting Key Allies

The bill provides substantial funding for key allies, including:

- Israel. \$3.3 billion for military aid, which is equal to the Memorandum Of Understanding.
- Jordan. Not less than \$1.525 billion in economic and military aid, in addition to humanitarian aid for Syrian and Iraqi refugees in Jordan, which is \$250 million more than the current MOU and equal to the fiscal year 2018 level.
- Tunisia. \$191.4 million, which is \$26 million above the fiscal year 2018 level, to expand economic growth, strengthen security services, support civil society, and strengthen democratic institutions and the rule of law.
- Countering Russian Influence Fund. \$200 million, which is \$75 million below the fiscal year 2018 level due to the availability of prior year resources and in addition to bilateral assistance, to counter Russian influence and aggression by promoting good governance, energy independence, and economic stability in countries under pressure from Russia, and ensuring our allies can protect their territorial integrity.
- Central America. \$527.6 million to continue support for the U.S. Strategy for Engagement in Central America, focused on addressing the causes of migration of undocumented Central Americans to the U.S., which is \$88 million below the fiscal year 2018 level. 50 percent of

the funds made available for the central governments in the Northern Triangle are subject to conditions related to migration, human rights, and corruption.

- Colombia. \$418 million to support ongoing programs and implementation of the peace agreement between the Colombian Government and the FARC, which is \$27 million above the fiscal year 2018 level. Portions of the funds are subject to conditions related to counter-narcotics and human rights.
- Special Immigrant Visas. The bill provides authorization and funding for an additional 4,000 Special Immigrant Visas for Afghans, and their families, whose lives are threatened as a result of the work they performed in support of the United States in Afghanistan, subject to certain conditions.

Combating Crime and Corruption

The bill provides \$129 million more than the fiscal year 2018 level for International Narcotics Control and Law Enforcement, including to sustain efforts to combat human trafficking; counter wildlife trafficking and poaching which threatens endangered species and are a source of funding for criminal organizations; professionalize police; and strengthen independent judiciaries.

- Programs to Combat Trafficking in Persons and Modern Slavery. \$106 million to work with nongovernmental organizations, partner governments and others to prevent human trafficking including \$25 million to combat modern slavery, prosecute traffickers and provide necessary services for victims, which is \$2 million above the fiscal year 2018 level.
- Counter Wildlife Trafficking. \$91 million to combat wildlife trafficking and poaching, which is equal to the fiscal year 2018 level.

Countering Terrorism and Violent Extremist Organizations

The bill makes funds available to stem the flow of foreign fighters seeking to join extremist groups, as well as combat violent extremist organizations by addressing the underlying causes of radicalization, which includes countering extremist propaganda, strengthening the capacity of foreign governments to address the grievances of citizens, holding individuals who have committed terrorist acts accountable, and assisting women and girls who have been victims of extremism.

The bill does not specify amounts for Afghanistan, Pakistan, and Iraq, which must be notified to Congress, but includes conditions on assistance for Afghanistan related to progress on democracy and human rights, anti-corruption, women's rights, and the sustainability and transparency of aid programs; and for Pakistan related to counterterrorism cooperation.

The bill maintains human rights conditions on a portion of aid for the security forces of several countries, including the Philippines, Sri Lanka, and Mexico, to help build professional security forces that respect the rights of civilians, and requires the Secretary of State to submit certain reports on actions by such forces to help improve congressional oversight.

The bill includes \$250 million for assistance for areas liberated or at risk from, or under the control of, violent extremist organizations in the Middle East and Africa, including for stabilization assistance for vulnerable ethnic and religious minority communities affected by conflict.

Responding to Humanitarian Crises

The bill provides funding above the fiscal year 2018 level to respond to humanitarian crises in Syria, Iraq, central Africa, South Sudan and elsewhere.

- **Refugees.** \$3.43 billion for Migration and Refugee Assistance, which is \$73 above the fiscal year 2018 level. The bill also directs that the funds shall be administered by the Assistant Secretary of State for Population, Refugees, and Migration, which is consistent with the management of funds in prior years.
- **International Disaster Assistance.** \$4.38 billion for International Disaster Assistance, primarily to assist persons internally displaced due to conflict and natural disasters, which is \$100 million above the fiscal year 2018 level.

Promoting U.S. Exports

In response to increasing economic competition from China and other countries as well as expanding U.S. trade with developing countries, the bill provides funding equal to the fiscal year 2018 levels to promote exports of U.S. goods and services for the Export-Import Bank and the Trade and Development Agency.

Private Sector Investment

The bill provides funding for the Overseas Private Investment Corporation (OPIC) at the fiscal year 2018 level and authority for limited transition expenses to prepare for the transition of OPIC to the new U.S. Development Finance Corporation.

The bill also includes a new provision providing extended availability for up to \$50 million for USAID to work with private sector partners to achieve international development objectives.

Other Key Programs

The bill provides:

- **Educational and Cultural Exchanges.** \$700.9 million for Educational and Cultural Exchanges, which is \$55 million above the fiscal year 2018 level (in part due to a shift of funds into this account for the Fulbright Program that were previously included under a different account). \$271.5 million is provided for the Fulbright Program to build understanding and promote American values, including by providing grants administered by American organizations that bring international students to the U.S.

- International Fisheries Commissions. \$50.6 million for the International Fisheries Commissions to directly benefit the livelihoods of Americans through the management of commercial and recreational fisheries that generate billions of dollars and hundreds of thousands of U.S. jobs, which is \$4 million above the fiscal year 2018 level.
- Peace Corps. \$410.5 million for the Peace Corps, which is \$500,000 above the fiscal year 2018 level to support additional requirements of the Peace Corps Inspector General.
- Millennium Challenge Corporation (MCC). \$905 million for the MCC, which is equal to the fiscal year 2018 level. The MCC supports economic growth programs that create jobs in countries that meet key anti-corruption and poverty reduction criteria.
- Global Internet Freedom. Not less than \$60.5 million for programs to promote Internet freedom in countries whose governments restrict freedom of expression. Efforts include countering repressive Internet-related laws and regulations and enhancing digital security for activists, which is \$5 million above the fiscal year 2018 level.
- International Organizations and Programs. \$339 million for voluntary contributions to UN agencies, including UNICEF and the UN Development Program, which fund development and security programs consistent with U.S. foreign policy goals. This amount is equal to the fiscal year 2018 level, but it will be reduced by \$32.5 million due to the President's determination regarding United Nation's Population Fund (UNFPA) (see below under "Key Deficiencies").
- Inter-America Foundation (IAF) and U.S. African Development Foundation (USDAF). \$22.5 million for the IAF, and an additional \$10 million from Development Assistance to the IAF for technical assistance in support of the U.S. Strategy for Central America; and \$30 million for the USADF. Both are equal to the fiscal year 2018 level.
- John S. McCain Scholars Program. \$1.6 million for three scholarship and fellowship programs to instill national security leaders of the United States and foreign governments with the leadership qualities necessary to preserve the principles and alliances indispensable to an international order based on the rule of law, human rights, and democracy.

Key Deficiencies

While the bill includes funding for many programs with strong bipartisan support, funding for several key programs was prohibited, significantly reduced, or not included in the bill, primarily due to opposition from the House Republican leadership, including:

- Contributions for International Peacekeeping Activities. As in fiscal year 2018, the bill caps funding for U.S. peacekeeping assessments at 25 percent, failing to ensure the necessary resources are available for the U.S. to meet its assessed obligation of 28.4 percent for UN peacekeeping.

- Export Import Bank. The bill does not include authority for the Board of Directors of the ExIm Bank to approve applications for U.S. exports exceeding \$10 million without a quorum of three directors. Thus, a backlog of roughly 40 transactions, which could support 240,000 jobs and is valued at \$40 billion, will not be acted on until Congress confirms additional Board members.
- Green Climate Fund. As in fiscal year 2018, no funding is provided for a U.S. contribution to the Green Climate Fund.
- Family Planning. The agreement does not codify the Mexico City policy as proposed by the House, but does nothing to counter President Trump's executive order that re-imposed and expanded the policy. Funding for USAID family planning programs is continued at the fiscal year 2018 level of \$575 million. In addition, \$32.5 million is included for United Nation's Population Fund (UNFPA) (the fiscal year 2018 level), but because of President Trump's determination that prohibits U.S. support for UNFPA, those funds will be transferred to USAID, bringing USAID's total funding for family planning/reproductive health to \$607.5 million which is equal to the fiscal year 2018 level.